



# PERSON COUNTY

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## FINANCE OFFICE

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February 27, 2018

Director, Fiscal Research Division  
North Carolina General Assembly  
Suite 169  
Legislative Office Building  
300 N. Salisbury Street  
Raleigh, North Carolina 27603-5925

To Whom It May Concern:

Re: Proposed Installment Financing Agreement for Construction of Public Safety Communication Towers, Related Facilities and Equipment; and Other Various County and School Building Improvements in the estimated amount of \$4,515,000.

The County of Person has scheduled to file an application with the Local Government Commission on April 11, 2018 for approval of an installment financing agreement as authorized by G.S. §160A-20. The Preliminary Resolution passed by the Board of Commissioners on February 26, 2018 included the provision that the installment financing agreement will not exceed \$4,750,000 to finance construction of two public safety communication towers, the purchase and installation of related facilities and equipment, as well as rooftop units and fire alarm replacements for Northern Middle School, installation of a new HVAC system for the Huck Sansbury Gym (County facility), roofing replacement for Early Intervention and Family Services, cooling tower replacements for Helena and Stories Creek Elementary Schools, and heating and cooling valve replacements at South Elementary School. It is being proposed that Northern Middle School be held as security collateral since its value is expected to be more than sufficient for the financing.

The County has set aside contingency funds for \$100,000 that will be available for possible project bid overages and any other unforeseen costs. Person County is expecting all engineering and construction bids to be in by March 6<sup>th</sup>, and the responses to the RFP for soliciting financing services to be received by March 26<sup>th</sup>. The County will repay this debt from monies in its General Fund. An increase in taxes to fund the repayment of this debt is not anticipated, and the County's current debt structure has been determined to be sound and sufficient to support this additional debt. Conservative spending has afforded the County with the ability to maintain a fund balance of 25% to 28% of unassigned expenditures over the past four years. The pay down of current debt, as well as the close management of pay-as-you-go capital has afforded the County with the ability to cover its annual operating needs without having to increase taxes.

That and low interest rates provides a suitable environment for taking on additional debt as is being proposed. The current property tax rate is \$0.70 per \$100 of assessed value and has been so since 2008. Person County maintains an A1 bond rating from Moody's and an AA- from Standard and Poor's. The County's good credit ratings, along with favorable interest rate conditions have provided the ability to keep interest costs low when the County issues debt.

Current estimates for the project are included in the table below:

<b>Public Safety Communication Towers, Various County &amp; School Improvements Capital Project</b>		<b>Amount</b>
Towers Construction (Bushy Fork and Bethel Hill)		739,938
VIPER Radio Units		951,765
VHF Equipment		1,167,759
Temporary modems		700
Tower loading-Post-inspection		6,000
Planning & Consulting		199,197
Huck Sansbury Gym-HVAC		95,000
Northern Middle School Improvements:		
Rooftop Units replacement		535,000
Fire Alarm replacements		150,000
Early Intervention & Family Services-roof replacement		207,000
Helena Elementary School-cooling tower replacement		110,000
Stories Creek Elementary School-cooling tower replacement		110,000
South Elementary School-valve replacement		180,000
Administration expenses		500
Issuance costs		62,141
<b>Total Financing</b>		<b>4,515,000</b>
Contingency (not financed)		100,000
<b>Total Project</b>		<b>4,615,000</b>

The portion of the currently estimated cost of the project that is allocable to school facilities is approximately \$1,292,000. A public hearing is scheduled for April 9, 2018 to receive citizens' input on whether the Board of Commissioners for the County should approve a proposed installment financing agreement on the project that is the subject of this letter. If you need any additional information, please contact me at (336) 330-2210 or by email at [amyw@personcounty.net](mailto:amyw@personcounty.net).

Sincerely,



Amy Wehrenberg  
Finance Director